

## Road work funds shrink

### As car trips dip, so does revenue

By Noah Bierman, Globe Staff | July 29, 2008

As drivers trim car trips and flock to public transportation, the state is beginning to take in less money from the gas tax, raising concern it will have fewer dollars to repair crumbling roads and bridges.

The state collected 2.4 percent less in gas taxes in June than it did the year before. Collections also declined three of the four previous months compared with 2007. In addition, the financially troubled Massachusetts Turnpike Authority is collecting less toll money and is no longer expecting to reap as much from the toll hike that went into effect in January as it had once projected.

The numbers mirror a national concern about the fate of the federal gas tax, the primary source of funds for state road and transit projects, which is also faring poorly. The looming question is whether Americans will continue to cut back on car trips and switch to more fuel-efficient cars. While those lifestyle changes would help reduce congestion and greenhouse gases, they could leave states with serious shortfalls if political leaders do not find alternative ways to pay for roads, bridges, and public transit projects.

"Talk about problems on top of problems," said Stephen Silveira, a lobbyist who led an influential commission that examined the poor state of the state's transportation finances last year.

Silveira's commission reported that Massachusetts faces \$15 billion to \$19 billion in unfunded transportation needs over the next 20 years. The commission recommended raising the state gas tax in the short run and finding an alternative to replace the gas tax in the long run, such as tolling by the mile. But when the group made those recommendations, members did not predict the recent declines in driving, Silveira said.

The federal gas tax is 18.4 cents per gallon, while the state tacks on 23.5 cents per gallon. Because the rates are set per gallon, the government does not get any richer when prices spiral higher, as they have in recent months, leading to a decrease in how much people are driving.

Yesterday, the US Department of Transportation said Americans drove 3.7 percent fewer miles in May than they did the previous year, the seventh month in a row that showed a decline. Massachusetts motorists drove 3.9 percent fewer miles in May than they did the year before.

"The decline in American driving is deepening," US Secretary of Transportation Mary E. Peters said in a conference call with reporters yesterday.

Between November and May, the year-to-year drop in the total number of miles driven by Americans was equal to 200 trips to the sun and back, she said. The large drops followed decades of mostly steady growth in driving.

Peters calls the gas tax "antiquated" and has long pushed for alternatives, including systems that charge drivers based on the miles they drive. The tax pays for the bulk of highway projects around the country, through the highway trust fund, which took in \$1.5 billion less than projected for the first six months of the year, she said.

That fund is facing an estimated \$3.1 billion shortfall next year, Peters said. The US House passed a bill last week to bolster the highway fund by \$8 billion. Peters and President Bush have instead proposed borrowing money from the public transit fund to cover the gap, something environmental and transit advocates oppose.

Massachusetts gets more than \$600 million a year from the highway trust fund to reimburse the state for a slew of projects, including critical bridge repairs.

Peters yesterday pledged that the federal government will meet commitments made through September 2009. After that, Massachusetts and other states "will either have to scale back their programs or come up with additional revenue" if federal lawmakers fail to come up with an alternative to the gas tax, she said.

Two bills that would give Governor Deval Patrick authority to borrow more than \$3 billion to shore up bridges and roads are making their way through the Legislature. The money would be paid back with state and federal gas tax dollars.

State officials will be watching the gas tax trends carefully, along with other tax collections, in deciding how much money Patrick can afford to borrow, said Jay Gonzalez, assistant secretary for capital finance.

Luisa Paiewonsky, commissioner of the Massachusetts Highway Department, said she believes the money will be there one way or another, because federal and state officials realize how crucial the repairs are. She also questions whether drivers will permanently change their habits. "I would caution against using a few months worth of data in sounding the alarm bell," Paiewonsky said.

Still, the Turnpike Authority, which is seeking state help to avoid financial collapse, is drastically reducing its expectations based on recent collections. In June, 5.4 percent fewer drivers paid tolls on the Pike than they did last June.

The Pike lowered its toll collection estimates by more than \$12 million for the budget year that began this month, which will mean less money for maintenance and hiring staff, said Alan LeBovidge, the authority's director.

"The issue will be: Is this a temporary downturn or is it long-term?" LeBovidge said.

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